

Message Text

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INFO OCT-01 CIAE-00 CU-04 INR-07 NSAE-00 USIA-15 AF-08

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FM SECSTATE WASHDC

TO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY LONDON

AMEMBASSY OTTAWA

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

AMEMBASSY PARIS

AMCONSUL MONTREAL

USMISSION GENEVA

USMISSION USUN NEW YORK

USMISSION IAEA VIENNA

UNCLAS STATE 260365

NESCO, FODAG, MONTREAL ICAO, VIENNA UNIDO

E.O. 11652: N/A

TAGS:AORG, UN

SUBJECT: GENEVA GROUP CONSULTATIVE LEVEL: FIRST SPECIAL
SESSION -

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REF: STATE 256856

1. AT ITS FIRST SPECIAL SESSION IN NEW YORK ON OCTOBER 6, 1976 THE GENEVA GROUP CONSULTATIVE LEVEL HAD BEFORE IT A DRAFT STATEMENT PREPARED BY THE GENEVA GROUP (GENERAL) ON THE PROBLEM OF THE RAPIDLY ESCALATING SPECIALIZED AGENCY BUDGETS. NO ACTION WAS TAKEN. HOWEVER, THE GROUP REQUESTED THE CO-CHAIRMEN TO CIRCULATE THE DRAFT STATEMENT AS AN INDICATION OF ITS CONCERN ABOUT THE PROBLEM. ACCORDINGLY, ADDRESSEE EMBASSIES ARE ASKED IN BEHALF OF UK AND U.S. CO-CHAIRMEN TO PROVIDE HOST COUNTRIES WITH FOLLOWING TEXT. ADDRESSEE MISSIONS, ALSO IN BEHALF OF CO-CHAIRMEN, IF STATEMENT HAS NOT ALREADY BEEN DISTRIBUTED, ARE ASKED TO CIRCULATE COPIES TO LOCAL GENEVA GROUP MEMBERS.

2. BEGIN TEXT:

CAVEAT: PRIVILEGED INTERNAL DOCUMENT FOR INFORMATION OF GENEVA GROUP MEMBERS ONLY

STATEMENT CONCERNING SPECIALIZED AGENCY BUDGETS

(NOTE: THIS STATEMENT WAS BEFORE THE GENEVA GROUP CONSULTATIVE LEVEL MEETING IN NEW YORK ON OCTOBER 6, 1976. NO ACTION WAS TAKEN ON IT, BUT THE GROUP DID REQUEST THE CO-CHAIRMEN TO CIRCULATE COPIES TO MEMBER COUNTRIES AS AN INDICATION ONLY OF THE SERIOUSNESS OF THE PROBLEM. THE STATEMENT HAS NO STATUS, AND SEVERAL REPRESENTATIVES OF MEMBERS AT THE MEETING NOTED THAT THEIR AUTHORITIES HAD IMPORTANT RESERVATIONS.)

1. MUCH THOUGHT IS AT PRESENT BEING GIVEN TO THE FUTURE OF THE UNITED NATIONS SYSTEM. THIS HAS LED, FOR INSTANCE, TO THE SETTING UP OF THE AD HOC COMMITTEE ON THE RESTRUCTURING OF THE ECONOMIC AND SOCIAL SECTORS OF THE UN SYSTEM. ALTHOUGH THERE ARE DIFFERING VIEWS ON THE COURSE THAT SHOULD BE TAKEN, IT IS CLEAR THAT ALL CONCERNED ARE MOTIVATED BY THE SAME WISH: TO MAKE OF THE UNITED NATIONS THE MOST EFFECTIVE INSTRUMENT POSSIBLE FOR THE IMPLEMENTATION OF ITS FOUNDERS' IDEALS AND FOR THE SERVICE OF THE UNCLASSIFIED

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INTERNATIONAL COMMUNITY AS A WHOLE. THESE OBJECTIVES ARE SHARED BY THE GOVERNMENTS WHICH BELONG TO THE GENEVA GROUP.

2. IT IS WITH CONSIDERABLE CONCERN THEREFORE THAT THOSE GOVERNMENTS HAVE NOTED THE GROWING BUDGETARY PROBLEMS OF THE UNITED NATIONS. EACH YEAR THE ORGANIZATION AND ITS AGENCIES EXPERIENCE GREATER DIFFICULTIES IN BALANCING THEIR BUDGETS; EACH YEAR THEY SUBMIT EVER LARGER BUDGETARY

PROPOSALS. THE RATE OF BUDGETARY ESCALATION HAS NOW REACHED LEVELS WHICH, WERE THEY TO BE MAINTAINED, WOULD INEVITABLY FACE THE MAIN CONTRIBUTING COUNTRIES WITH GRAVE PROBLEMS.

3. THE MEMBERS OF THE GENEVA GROUP ARE CONSCIOUS THAT THE ESCALATION OF BUDGETS IS, IN PART, THE RESULT OF FACTORS (SUCH AS INFLATION AND CURRENCY INSTABILITY) WHICH ARE BEYOND THE CONTROL OF THE UNITED NATIONS, BUT THEY DO NOT REGARD THESE FACTORS AS SUFFICIENT JUSTIFICATION FOR THE PRESENT TREND. THEY BELIEVE THAT CORRECTIVE ACTION IS POSSIBLE AND THAT IT MUST BE TAKEN IF THE ABILITY OF THE UNITED NATIONS TO CARRY ON ITS TASK IS TO BE SAFE-GUARDED.

4. THE MEMBERS OF THE GENEVA GROUP ARE ANXIOUS TO SECURE INCREASED COST-EFFECTIVENESS IN THE FUNCTIONING OF THE UN SYSTEM AS A WHOLE. AMONG THE FACTORS WHICH WOULD CONTRIBUTE TO THIS THEY WOULD INCLUDE: A MORE SELECTIVE APPROACH TO PROGRAMMING; A GREATER EFFORT AT CO-ORDINATION

AND THE AVOIDANCE OF DUPLICATION; A MORE RIGOROUS APPLICATION OF EXISTING BUDGETARY PROCEDURES; A STRICTER OBSERVANCE OF PRESENT RULES; A RATIONAL SOLUTION TO THE QUESTION OF PAY SCALES; AND INCREASED OVERALL OPERATING EFFICIENCY, INCLUDING IN PARTICULAR CONSIDERATION OF A REDUCTION IN STAFFING LEVELS. OUR GOVERNMENTS ARE WILLING, AND INDEED EAGER, TO JOIN IN AN EFFORT TO ACHIEVE THESE OBJECTIVES. THEY RECOGNIZE OF COURSE THAT THE MAIN RESPONSIBILITY LIES, AND MUST CONTINUE TO LIE, WITH THE PERMANENT STAFFS OF THE ORGANIZATION AND OF THE SPECIALIZED AGENCIES.

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5. IN THE SAME CONNECTION, THE MEMBERS OF THE GENEVA GROUP SYMPATHIZE WITH THE VIEWS OF THOSE WHO CONSIDER THAT A SMALLER PERCENTAGE OF UN EXPENDITURE SHOULD BE DEVOTED TO ADMINISTRATIVE, HEADQUARTERS AND CONFERENCE COSTS AND A GREATER PERCENTAGE SPENT IN THE FIELD. THEY ARE WILLING TO CONSIDER REALISTIC AND CONSTRUCTIVE MEASURES IN THIS SENSE.

6. HOWEVER, THE MEMBERS OF THE GENEVA GROUP DO NOT BELIEVE THAT EFFORTS TO CO-ORDINATE OR REDIRECT UN EXPENDITURE WILL ALONE SUFFICE TO CONTAIN THE PROBLEM OF ESCALATING BUDGETS. THE FINANCIAL RESOURCES OF THE MAIN CONTRIBUTING NATIONS ARE NOT UNLIMITED. THE MAIN CONTRIBUTORS CANNOT INDEFINITELY ACCEPT ANNUAL OR BIENNIAL INCREASES IN THE BUDGETS OF THE UN AND OF THE SPECIALIZED

AGENCIES ON THE SCALE WHICH HAS LATELY BECOME TYPICAL. THEY CONSIDER THEREFORE THAT EFFORTS TO IMPROVE THE EFFICIENCY OF THE UN SYSTEM MUST BE ACCOMPANIED BY A DETERMINATION ON THE PART OF THOSE RESPONSIBLE WITHIN THE SYSTEM TO PRESENT, AND A WILLINGNESS ON THE PART OF THE UN MEMBERSHIP AS A WHOLE TO ACCEPT, BUDGETS WHOSE YEAR-ON-YEAR INCREASE FALLS WITHIN REASONABLE LIMITS. IF BUDGETARY PROPOSALS CONTINUE TO BE ADVANCED WHICH IGNORE THE OVERALL ECONOMIC SITUATION IN THE MAIN CONTRIBUTING COUNTRIES, THE GOVERNMENTS OF THOSE COUNTRIES ARE BOUND TO REACT UNFAVORABLY. THIS CAN ONLY HAVE DAMAGING CONSEQUENCES FOR THE UN SYSTEM AND FOR ITS FUTURE.

7. AGAINST THE BACKGROUND OF THIS STATEMENT, THE REPRESENTATIVES OF THE GOVERNMENTS BELONGING TO THE GENEVA GROUP WOULD HOPE TO BE ABLE TO JOIN FORTHWITH IN AN INTENSIVE PROCESS OF REVIEW AND CONSULTATION OF THE BUDGETARY PROBLEMS OF THE UN. WE

WOULD HOPE THAT SUCH A PROCESS MIGHT INVOLVE BOTH THE

PERMANENT STAFFS OF THE ORGANIZATION AND THE AGENCIES AND REPRESENTATIVES OF OTHER MEMBER STATES. THE CONSULTATION COULD TAKE PLACE BOTH WITHIN THE REGULAR MACHINERY OF THE ORGANIZATION AND, IF APPROPRIATE, OUTSIDE IT. GIVEN THE COMMITMENT TO THE IDEALS OF THE UNITED NATIONS WHICH ALL UNCLASSIFIED

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ITS MEMBERS SHARE, WE ARE CONFIDENT THAT THE PRESENT DIFFICULTIES CAN AND WILL BE OVERCOME.

END TEXT

3. USUN REQUESTED TO PROVIDE COPY OF THIS MESSAGE TO MISS CAROLINE M. T. ELMES, UK MISSION TO UN.

4. FOR GENEVA: WE ARE CONSIDERING YOUR 8064. RE PROPOSAL PARA. 7 OF THAT MESSAGE TO REVISE STATEMENT FOR USE WITH SA'S, WE HAVE NO OBJECTION IN PRINCIPLE BUT WOULD, OF COURSE, NEED TO SEE TEXT BEFORE REACHING CONCLUSION. KISSINGER

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